

Good evening.

While Emmie was growing up, she always showed, as this picture does, that she enjoys life. My husband and I are lucky to be the parents of both Emmie and her sister, Elizabeth, who you met last year.

Thank you, friends, staff and interested community members, for giving of your time this evening and for generously sharing your words of encouragement during 2007,

- Jerry, for setting the tone for this evening,
- John, for introducing elected and appointed officials, and
- Deacon Smyth for your inspirational words,
- Dad, for your service to our country and to the future enjoyment of the Otay River Valley,
- Marina, for sharing your beautiful voice with us,
- Greg – for your wisdom, your kindness, and your affection.

Let's get straight to the point. We've had a tough year when it comes to city finances. Like cities around the nation, Chula Vista is struggling with the effects of an economic slowdown. The phenomenal growth rate that brought us the new communities of Eastlake, Otay Ranch and Rolling Hills has stalled. Property and sales taxes are in a slump, and development fees are non-existent.

So, what do we do now? When faced with hardship and uncertainty, we pull together, find solutions, and do what needs to be done.

The bottom line is that balancing income with expenses creates a more sustainable basis for future budgets. Diminished construction, declining property sales and increased foreclosures meant that the City Council needed to act immediately and decisively. We cut expenditures and focused on diversifying revenues.

In this difficult situation, our skilled and seasoned City Manager David Garcia guided his staff and the City Council through a series of budget balancing strategies. His team is again hard at work, preparing us for more belt-tightening measures for the coming year. That means now is not the time to renovate fire stations or build a new library.

In November, the City Council reduced next year's budget by more than \$15 million. We did this through a hiring freeze, cutting department budgets, eliminating positions, and by reaching an agreement with all labor groups to defer cost of living increases. On top of that, 62 employees accepted an early retirement offer. The Human Resources Department, led by Marcia Raskin, was in the middle of it all. Thank you, Marcia, David Garcia, and budget experts Maria Kachadoorian and Ed Van Eenoo for meeting this challenge.

Reducing the budget was the right thing to do. If the State does what it has done in the past—require new programs and not fund them, or dip into the pockets of cities, we'll have to cut again, and deeply. But, I'm not discouraged by the country's bleak economic news--Chula Vista's future is filled with promise and extraordinary projects.

Here's what's happening right now.

Progress is being made along the bayfront. Last fall, several vacant industrial buildings south of H Street along Bay Boulevard were torn down. Chula Vista's Port Commissioner Mike Najera and the Port's Executive Director Bruce Hollingsworth made this a priority in 2007.

There's more good news. With the cooperation of San Diego Gas & Electric, the lattice towers along the bayfront are coming down--not by 2010 when the South Bay Power Plant is scheduled for demolition, but next year, and at no additional cost to you! What a view it will be! Assistant City Manager Scott Tulloch, Conservation Director Michael Meacham, and representatives from SDG&E and the California Independent System Operator are the people who made this happen.

Even more exciting is Gaylord Entertainment's continued interest in building a resort hotel and convention center along our waterfront. Gaylord expects to pump \$800 million into our regional economy. Look what happened recently at their new hotel and convention center along the Potomac River. During a four day hiring event, 16-thousand people showed up to apply for jobs. Imagine the employment opportunities they will bring to Chula Vista for thousands of local workers.

Soon, Port Commissioners will see a lease agreement. This will be followed by a plan with the City and the Port for bond financing to support infrastructure such as roads, sewer lines and a fire station. Later this spring, the Environmental Impact Report will be circulated for public review.

Last summer, we almost lost Gaylord. Only an enormous outpouring of support from the community, and local and regional businesses, persuaded the company to re-activate its discussions with the Port and the City. Thanks to you, this project is back on track.

The people of Chula Vista deserve a world-class bayfront. And we will prevail. It's time to get a move on! That means everyone involved comes to the table with open minds and positive attitudes. No exceptions.

Another project that will change this city is the University Park and Research Center. We're inching forward in land negotiations with two major property owners for a site in eastern Chula Vista. We are closer than ever before to bringing a four- year university with post-graduate programs and research institutions to Chula Vista. A university with well-designed, energy conserving classrooms, a library and sports fields, student housing, and a seamless connection to nearby neighborhoods and shopping districts.

Our first partner has already come on board. This month, High Tech High Chula Vista broke ground on the university site for Phase One of their new charter school. With its emphasis on the environment, it's a good beginning. But it's just the beginning.

I'd like to introduce another component to the University Park and Research Center campus—something I think is important. Years ago, it was called “vocational education.” Now it's known as “career tech.” The name doesn't matter as much as creating an effective way to reduce high school dropout rates by uniting high school diplomas and skilled training certificates. When students graduate from high school with real job skills, they're better prepared for employment that pays good salaries. And that's a benefit to them and their community.

Another tenant on the university campus will be the National Energy Center, which is already conducting research here. The Center is helping create energy efficient communities, through groundbreaking work that is attracting attention worldwide. Economic Development Officer Denny Stone is coordinating the Center's efforts with our research and development partners -- USD's Burnham-Moores Center for Real Estate, the California Energy Commission, San Diego State, SDG&E and Chicago's Gas Technology Institute. Chula Vista's National Energy Center has received funding from SDG&E to send the project's researchers throughout the state to present findings from their study.

While we prepare for these new projects, the City's commitment to Redevelopment remains strong. A recent newspaper editorial urged us to “resist the temptation to write off Redevelopment in Chula Vista.” I assure you, redevelopment *has* done, and *continues* to do, amazing things for this city. Yes, we're dealing with an economic downturn. Yes, a year has passed since the Urban Core Specific Plan was adopted, yet this time was used well, to restructure the Chula Vista Redevelopment Corporation. Its volunteer members are ready to work!

And let me give you a couple of examples:

- With a \$5.5 million redevelopment loan, we supported developer Wakeland's efforts to transform a boarded-up motel along Broadway into a 42-unit energy-efficient complex, Los Vecinos, apartments for lower income residents. How energy efficient are they? Ninety percent of the building's electricity will be solar-generated. And Wakeland is pursuing LEED

certification for this project. LEED stands for Leadership in Energy and Environmental Design. Los Vecinos brings a beautiful new project to the Southwest area of the City.

- Staff is gearing up for an “H” Street study this summer. H Street crosses our new South Bay Expressway and two major freeways. It is the ribbon that ties the established areas of the community with newer neighborhoods, and it needs some work. As an initial step, the City hopes to sponsor a weeklong design workshop led by a panel of experts from the Urban Land Institute to work with the community and staff on the economics of development and redevelopment.

Redevelopment efforts have slowed down in this sluggish economy, but Chula Vista is looking ahead. We’re laying the groundwork now for the investment that is sure to come. Why? Because we need investment in our community in order to build new parks and fire stations and to improve our roads and transit system.

We’ve seen the results of significant investment in eastern Chula Vista. We can bring the same benefits to established neighborhoods—through redevelopment. When it’s done right, communities prosper. Doing it right means good planning, public participation, and environmental review.

We must have the courage and foresight to welcome change in order to set the stage for redevelopment. We must allow our city the flexibility and creativity to benefit from redevelopment. Arbitrary restrictions and development uncertainty will turn away investors, citywide.

New investment will help the efficient rebuilding of local hospitals in order to offer healthcare in modern, up-to-date facilities. Investment means the courthouse can expand to meet today’s caseload, and build a parking structure, too. And when we build our university, adequate student housing will be needed right on campus. Chula Vista cannot afford a one- size- fits -all approach

to redevelopment or construction. I ask you to help your City Council retain the planning tools we have to allow Chula Vista to prosper.

People who live in this city share a passion for Chula Vista. We're facing challenges, but I hope you will share my confidence in our ability to succeed and to thrive.

And there is some good news!

We are one of only four cities in San Diego County where sales tax actually increased during the first quarter. 'Shop Chula Vista,' a campaign to keep your tax dollars right here is obviously working. And isn't it nice to have so many more choices when we shop?

- Eastlake Village Walk
- The Shops at San Miguel Ranch
- Eastlake Design District and its new addition, the Brewhouse
- Movie theatres, restaurants and coming soon, Best Buy, H&M clothing, and DSW shoe stores at Otay Ranch Town Center
- And on the way—a new dealership for the Auto Park, right next door to Chula Vista Toyota

When you spend your dollars in Chula Vista, a portion of the sales tax *stays* here-- \$29 million flowed into the general fund in 2007. Shopping in Chula Vista supports local jobs, businesses and city services. Chula Vista Chamber of Commerce President Lourdes Valdez, Executive Director Lisa Cohen, Past President Charles Moore, and the Chamber's Board of Directors played important roles in assisting our Communications staff in promoting this campaign.

Because of the South Bay Expressway, access to the City's newest shopping areas is fast and easy. The region's first toll road opened last November. Since then, nearly 3 million vehicles have been diverted from Interstate 805 and local streets. This long-awaited expressway could be the connection to a much-needed third border crossing.

Transportation is important to any growing city. While the South Bay Expressway gives drivers an alternative to crowded freeways, we haven't forgotten mass transit, bicycling, and –yes-- walking.

The design for McMillin's Eastern Urban Center has all that and more. This extraordinary project will blend housing, offices, parks, businesses, hotels and restaurants. In addition to being pedestrian-friendly, the EUC will become a major hub for Bus Rapid Transit. With assistance from the National Energy Center researchers, the EUC will be a national model for energy efficient communities. This venture positions Chula Vista and the McMillin Companies as global leaders in green construction and sustainable development.

Chula Vista is holding its own—and then some.

There's a good reason for this. Talented, capable women and men are working for you. Budget reductions of the past few months have been painful. And we're not done yet. Even so, the people in this organization are focused. They are dedicated to looking for ways to make it work. I'd like to share a few examples with you:

Consolidating our Fire Communications Center with the City of San Diego saved taxpayers \$700,000 annually, and gave us new technology that improves response times. Chula Vista and San Diego will share resources including firefighters, a helicopter, fire engines, ladder trucks, and brush engines. Mayor Sanders. . . .

Doug Leeper and the Code Enforcement Division led an effort to protect your property values from the impact of abandoned homes. They developed a nationally recognized ordinance that holds lenders accountable for the condition of vacant properties. Lenders know they'll have to pay steep fines if they don't comply. Chula Vista's innovative approach to this problem is the first of its kind. Many cities across the nation want to model their program after ours.

Another example:

Last August, I invited a major nonprofit organization to meet with staff from the County, City of San Diego, and City of Chula Vista. This non-profit offered to help secure funding for land conservation to benefit the Otay Valley Regional Park. Thanks to the City's Barbara Bamberger, Ed Batchelder, and Lynnette Tessitore-Lopez, we're on our way to realizing our vision for an urban parkway, with hiking trails and recreational areas, from Interstate 5 to Otay Lakes.

Also, when we needed money to help fund a survey of historic properties in Chula Vista, Wells Fargo Bank and Niederfrank's Ice Cream sponsored an old-fashioned ice cream social at the historic home of Col. William Dickinson, Chula Vista's founder. We're grateful to them. This event was also the kick-off for Chula Vista's 2011 Centennial celebration. Jennifer Quijano is organizing a second pre-Centennial event--Colonel Dickinson's Country Chicken Dinner is tentatively scheduled for August.

Just this year, the City Clerk's Office introduced passport services—giving residents a convenient alternative to standing in long lines at the Post Office. This service generates a new revenue stream for the city.

Another source of income is grant funding. Let me tell you what our Police Department has done. They secured nearly two million dollars in grant funding last year. And just two weeks ago, we were notified of another \$335,000 for gang suppression efforts.

While I'm talking about public safety, I'd like to recognize the police officers and firefighters who came to the rescue during the October fires. Our thanks go to Chief Rick Emerson and Interim Fire Chief Jim Geering. A special thank you to Bernard Gonzales who worked with the Office of Communications to keep everyone informed during this countywide crisis.

Sometimes, it's not a matter of saving money or finding new revenue streams. There are times when you simply have to do more with less.

Information Technology staff, led by Louie Vignapiano, expanded the role of the Internet in day-to-day operations. We've reduced printing costs by switching to more environmentally-friendly online publications, including the new *CV Connect* and the Recreation Department's catalog of classes. Park reservations can now be made online. Business licenses can be renewed online. Some crimes can be reported online. City Council receptionist Lily Cesena books passport appointments online. These are just some of the services that the public notices.

That same resourcefulness stands out in our libraries and recreation centers where, unfortunately, hours have been cut back.

Another way of doing more with less is finding partners in the community. One of our long-standing partners is the U.S. Olympic Training Center. Last summer, when the O-T-C wanted to host an international volleyball competition, the city offered the Salt Creek Recreation Center to teams from Italy, Argentina and the U-S.

By the way, the training center opened a new venue this year—BMX Super Cross, the newest Olympic sport. Chula Vista has the only permanent BMX training course in the country. It's identical to the one athletes will use during the Summer Olympics in Beijing.

Partnerships pave the way for new ideas and better solutions. This is so important right now in the neighborhoods of Southwest Chula Vista. The city is ramping up its public outreach with those who live or have businesses in the Southwest. Our mutual goal is to improve neighborhoods with aging infrastructure. Just last weekend, people came together at the Otay Recreation Center to launch this effort. A very encouraging beginning!

The beauty of partnerships is in their bringing together people with different strengths and perspectives. For years, Chula Vistans have benefited from the efforts of several dedicated "Friends" groups: Friends of the Library; of Parks and Recreation; of the Arts, of the Animal

Shelter; the Nature Center Foundation and the Veterans Home Support Foundation. These groups make an enormous difference in our quality of life.

Tonight, I am pleased to announce a new kind of partnership for the City. This month, the San Diego Foundation agreed to help launch a fundraising campaign called “*Endow Chula Vista*.” This kind of campaign has been very successful in several other cities in San Diego County. Our initial goal is to raise \$100,000. Half will go into an endowment; the other half will support emergency services in times of disaster and programs for the arts, animal care, environment and recreation. I am pleased to report that \$11,000 has already been pledged to *Endow Chula Vista*. More information is available this evening in the Lobby.

There are many ways to invest in Chula Vista. Last fall, 30 residents immersed themselves in a six- week Citizens’ Leadership Academy, a civic engagement program that introduced residents to city government. The Academy helps community members better understand the complexities of local government. Participants learn about city finances, planning, public safety, recreation, capital projects, road improvements, conservation and library services. Because the first academy was so successful, a second session begins on April 2nd. Goodrich Aerostructures generously underwrote the first C-L-A, and Psomas, a leading engineering and consulting firm, is the sponsor of next month’s academy. I am personally grateful to City staff who has been generous with their time and expertise.

By investing in citizen participation and providing a means for residents to better understand the inner workings of City Hall, I hope that more people become productively involved in local government. In fact, two recent graduates have done just that, becoming regular volunteers here at City Hall.

It’s never too early to get involved in local government. That’s why I’m so pleased high school students are serving as Commissioners of the Youth Action Council. Members participate in community service, gain first-hand experience in local government, and become informed stakeholders in the community. We value their energy and perspective, as well as the work of

advisors Leah Browder, Ramiro Gonzalez, Jennifer Quijano, and YMCA staff Jeremy Jones and Claudia Arroyo.

Volunteers—almost 900 of them— in collaboration with I Love a Clean San Diego, Allied Waste Services, City staff, and many local businesses, converged at Harborside Park last October to help make Beautify Chula Vista an unqualified success. Mark your calendars! The sixth annual Beautify Chula Vista Day is set for Saturday, October 4. Let's get 1,000 volunteers this year!

Simply put, volunteers are the backbone of the community. I cannot imagine getting through the October fires without them. Volunteers helped staff the evacuation center at Chula Vista High School. Volunteers rounded up supplies, bedding and food for nearly 500 evacuees who needed a safe place to stay. Businesses-- large and small-- and families like yours and mine, gave from the heart and gave generously. Some volunteers were our own employees who, rather than going home when City Hall closed, showed up to lend a hand—hundreds of hands! Others were people from the community—too many to name-- who came forward to help those in need.

It was the kind of overwhelming response that made me very, very proud to be your Mayor.

I have always been pleased to be part of this community. Your achievements, your commitment and your resolve continue to inspire all of us. Thank you for your support—and your attention this evening.

Please join the City Council and me outside for coffee and dessert. The City Council meeting will reconvene at 7:30.

Good evening.